



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

DOGM
MINERALS PROGRAM
FILE COPY

August 4, 1989

Mr. E. B. King, President
Jumbo Mining Company
6305 Fern Spring Cove
Austin, Texas 78730

Dear Mr. King:

Re: Approval of Permit Transfer and the Amount and Form of Reclamation Surety,
Drum Mountain Project and Drum Mine, M/027/007, Millard and Juab Counties,
Utah

On July 27, 1989, the Board of Oil, Gas and Mining granted its concurrence on the amount and form of reclamation surety proposed by Jumbo Mining Company (JUMBO) for the Drum Mine and permit amendment (Drum Mountain Project) in Millard and Juab Counties, Utah. Jumbo has resolved the permitting concerns which remained to allow Jumbo's continued operation of the Drum Mine and to initiate construction on the Drum Mountain Project.

Jumbo Mining Company has provided a reclamation surety in the amount of \$162,000 for reclamation of the Drum Mine and Drum Mountain Project. The surety is posted in U. S. Treasury Bills and is held by the Office of the State Treasurer in the name of the Division of Oil, Gas and Mining, and the Bureau of Land Management.

The Division hereby approves of the Drum Mine permit transfer from Western States Mining Corporation, pursuant to the conditions as outlined in the signed permit transfer document. Jumbo is hereby approved to proceed with development of the Drum Mountain Project according to the approved plans.

We will forward a copy of the final, signed, permit documentation as soon as possible. Thank you for your cooperation in completing this permitting action. Please contact me or D. Wayne Hedberg should you have questions pertaining to the contents of this letter.

Sincerely,

Lowell P. Braxton
Associate Director, Mining

DWH/jb
cc: Allan Cerny, WSMC
Jerry Mansfield, State Lands
Don Ostler, BWPC
F. Rex Rowley, BLM, House Range Resource Area
Wayne Hedberg, DOGM

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